

Save The Date,
Full Report Coming
2nd Week July 2023



ISRAELI TECH REVIEW Q2 2023

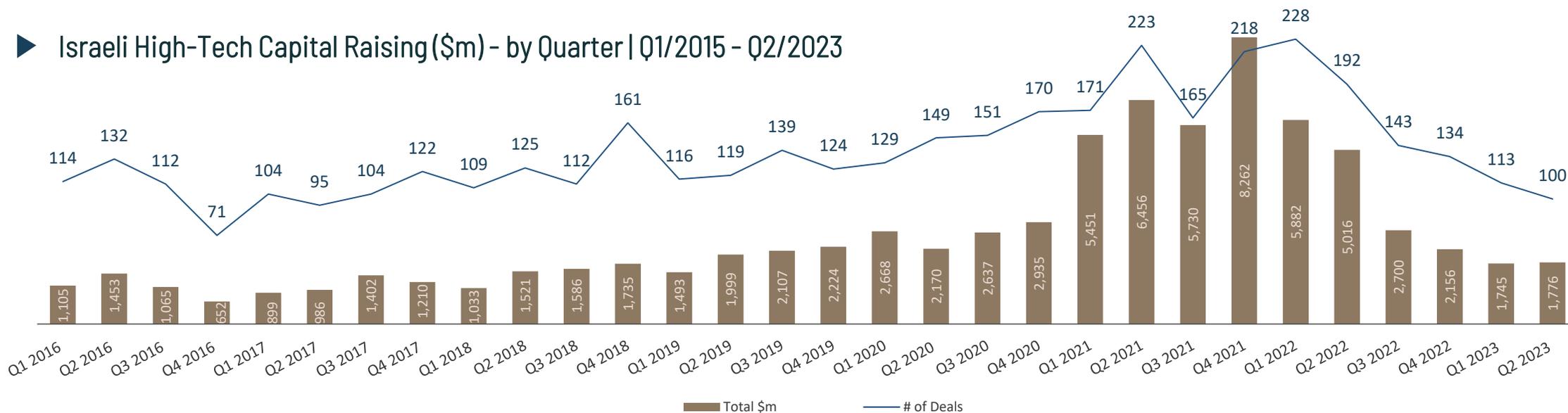
First glance at Q2/2023 numbers: \$1.78B raised by Israeli tech companies

While the Y/Y downtrend continues and the data show 65% decrease compared to Q2/2022, some positive signs show that the sequential decrease in funding has paused (at least for now)

In Q2/2023, Israeli high-tech companies raised \$1.78 billion in 100 deals. The outcome exhibits a 65% fall from the amounts the Israeli tech saw in Q2/2022 and 48% less than the number of deals in Q2/2022. On a quarterly basis Q2 aggregate capital amount slightly increased by 2% compared to Q1/2023.

The above figures supply a first glance at this quarter's funding activity for the Israeli tech. The full report - Israeli Tech Review for Q2/2023 - will be published in mid-July.

► Israeli High-Tech Capital Raising (\$m) - by Quarter | Q1/2015 - Q2/2023



Timor Arbel-
Sadras

LeumiTech
CEO

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We are still seeing a decrease in the annual level of funding rounds, both in amounts and in the number of companies.

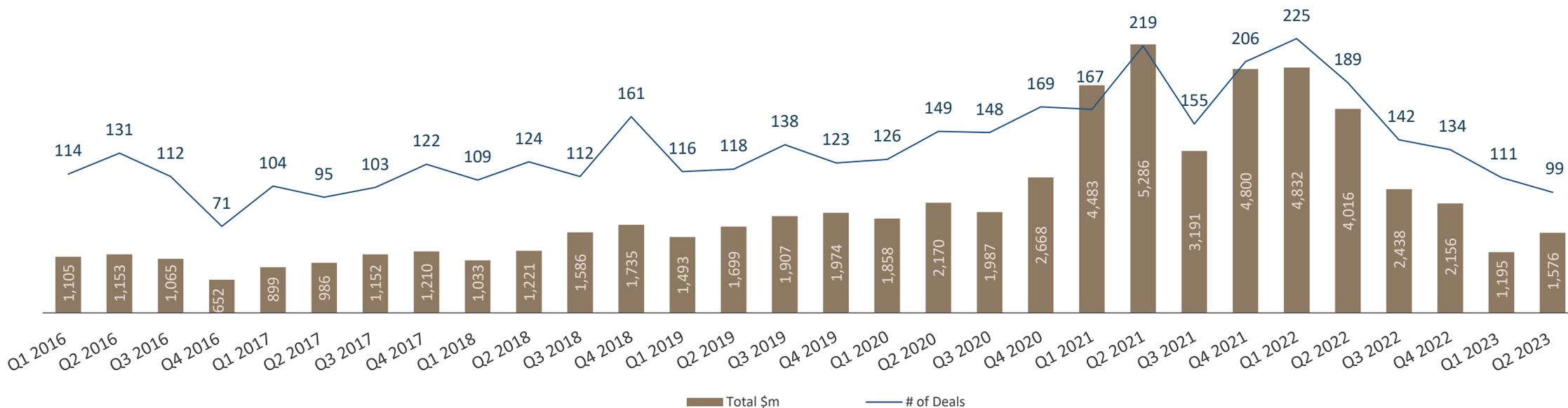
At the same time, we recognize the first signs of stabilization in the capital raising figures thanks to FOLLOW-ON investments, compared to a halt of initial investments. It will be interesting to see how the upcoming months will develop and how companies will adapt their funding rounds to the current economic climate, which will enable new transactions and acquisitions in the tech industry

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In the last few quarters, we saw the Mega deals (above \$100m each) become a sort of outlier (statistically and conceptually).

Excluding the outliers from this quarter's capital raising - we ignore the deals which are over \$200 million. In Q2/2023 there is one relevant deal: \$200M investment in Upstream Bio - It supports the notion that the downside trend halted after a sharp drop since Q4/2021.

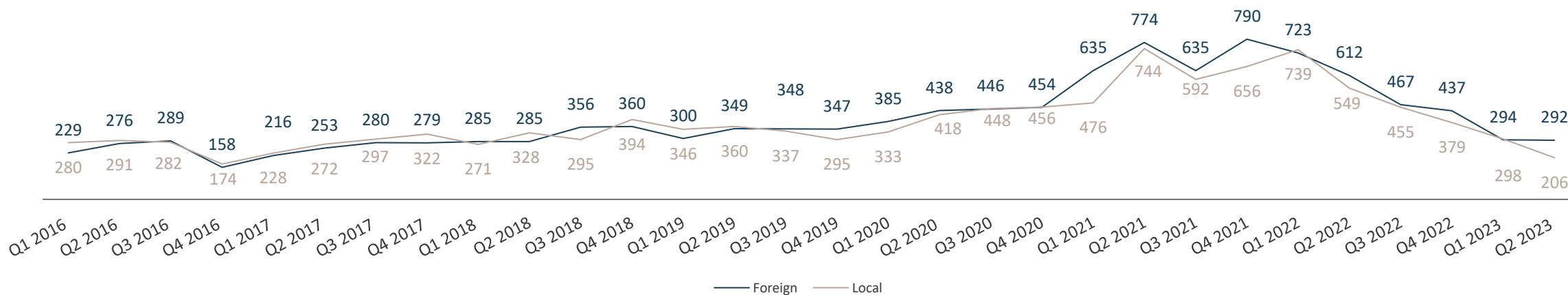
► Israeli High-Tech Capital Raising \$m - by Quarter - Excluding Outliers | Q1/2015 - Q2/2023



Another positive sign is revealed not just in the dollar amounts, but also among the providers of this liquidity.

Analyzing investors' origin in Q2/2023, IVC saw a change in the presence of foreign investors, a leading signal regarding the availability of funding capital. The graph below shows that the number of investments which were made by foreign investors has stabilized. This is the first time the availability of foreign investors has broken the downtrend we saw during the last six quarters.

▶ Israeli High-Tech Capital Number of Investments - Israeli vs. Foreign | Q1/2015 - Q2/2023



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